

GREATER VALLEJO RECREATION DISTRICT
2002-2003 Grand Jury Report

I. REASON FOR INVESTIGATION

The Grand Jury received numerous citizen complaints regarding the operation and policies of the Greater Vallejo Recreation District relating to the November 2000 ballot initiative to establish an additional special assessment to support the Greater Vallejo Recreation District.

II. PROCEDURE

The Grand Jury reviewed:

- Taxing and balloting authority for Special Districts
- Authority for initiative process
- Official Ballot and instructions
- Greater Vallejo Recreation District (GVRD) Board of Directors
- Meeting Minutes for the last two years
- GVRD Applications to City of Vallejo for Park Dedication Fees
- Three years of audited budgets
- GVRD Manager's Board Report for each of the last eighteen months

Attended:

- GVRD Board Meeting

Examined:

- Procedures and policies regarding Park Dedication Fees

Interviewed:

- Complainants
- GVRD Staff
- GVRD Board Member

III. BACKGROUND

1. The Grand Jury limited this investigation to the procedures used in the recent ballot initiative process. This particular item was chosen because it was current, parties involved were available and testimony would be fresh in all parties' minds.

2. GVRD is a Special District that was formed to provide parks and recreational services to the City of Vallejo. It receives its funding from a variety of public sources as well as private donations. A Board of Directors governs GVRD and the General Manager conducts day-to-day operations. The General Manager is under contract to the Board of Directors. GVRD has an annual budget of approximately \$4.6 M. It services 37 park sites, four community centers and numerous recreational activities. The Board meets publicly on the second Wednesday and the fourth Thursday of each month. GVRD has all the rights and authority designated by the State Legislature to Special Districts.

3. The first reference in the Board minutes to the ballot measure was on February 13, 2002. The FY 2001-02 budget had a line item of \$15,000 for a community-wide needs assessment. The purpose for these funds was changed by the GVRD Board and used for a survey of property owners in support of an additional assessment to support GVRD. Fifteen thousand dollars was not enough to pay for this survey. An additional \$4,775 was authorized by the GVRD Board to be expended from Park Dedication Fees. The survey of property owners was completed and indicated a 57% approval by property owners with a + or - 5% error factor.

4. The GVRD Board approved proceeding with the ballot initiative based on the survey results. The ballot initiative vote was held in November of 2002 and failed. The measure received 40.4% support with only 25.8% of the mail-in ballots returned. The final cost for the survey and ballot measure was \$87,039.17.

5. Two companies were hired for the survey and ballot process. Company "A" recommended Company "B" to do the survey. Company "B" conducted the favorable survey and Company "A" received a contract to conduct the ballot initiative. The two companies completed their respective contracts.

6. Park Dedication Fees are restricted funds. GVRD staff makes application for these funds and specifies their proposed use. The City of Vallejo provides these funds to GVRD in accordance with the Municipal Code (Chapter 3.18). Applications for these funds for 2001-2002 and 2002-2003 were examined by the Grand Jury. Although an application for ballot funds was submitted in 2001-2002, no application for ballots funds was submitted for 2002-2003.

7. Accounting records submitted to the Grand Jury show the total ballot measure was paid out of Park Dedication Fees. Board minutes do not show any approval of payment from Park Dedication Fees for the actual ballot costs. Testimony received indicated that GVRD Staff informed the Board that this was a proper use of Park Dedication Fees. Staff went on to state to the Board that Legal Counsel supported the use of these fees.

8. Staff was asked to provide the Grand Jury with a copy of Legal Counsel's opinion and declined citing "attorney client privilege."

IV. FINDINGS & RECOMMENDATIONS

Each finding is referenced to the background with a number.

Finding #1 - GVRD Staff filed no application for the use of Park Dedication Fees for the cost of the ballot measure for fiscal year 2002-2003. (6, 7)

Recommendation #1A - The City of Vallejo determine if the ballot measure was an appropriate expenditure.

Recommendation #1B - The GVRD Board inquire of Staff why no application to the City of Vallejo was submitted for this expenditure and where the money came from to pay for it.

Recommendation #1C - The GVRD Board minutes reflect all expenditures of restricted funds

Finding #2 - Two companies hired for the survey and ballot process had the potential for a conflict of interest. (5)

Recommendation #2 - Avoid the public concern over possible conflicts or collusion by limiting single-source contracts.

Finding #3 -Both companies appear to have performed their tasks completely and professionally without any conflict. (5)

Recommendation #3 - No recommendation needed.

IV. COMMENTS

The GVRD Board minutes for 2002 reflect one member asking at numerous meetings for clarification of Park Dedication Fees. Each time the answer was avoided. It is unclear if an adequate answer was ever given. It is easy for a Board to become “staff driven” when questions go unanswered.

“Attorney client privilege” is a constitutional right. However, citizens and the Grand Jury view with suspicion the use of this “privilege” when invoked by a public servant conducting public business when the attorney is paid with public funds. The right to know how decisions are made is paramount in establishing trust within the community.

Affected Agencies:

- City of Vallejo
 - Greater Vallejo Recreation District
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